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SALES TAX EXEMPTION LURES \$150 MILLION WIND PROJECT TO WYOMING - Can Utah Attract Wind Development?

Florida Power and Light Company (FPL Energy) has announced plans to construct, own, and operate the largest wind power project in Wyoming. A sales tax exemption adopted earlier this year by the Wyoming legislature is credited for moving the project forward, according to FPL Energy officials. The sales tax exemption is for equipment used to generate electricity from renewable sources, such as wind power, and will expire June 30, 2008.

"Utah has sufficient wind resources to harvest for energy development," says Christine Watson, energy engineer at the Utah Energy Office in Salt Lake City. "However, Utah won't be competitive to lure lucrative wind projects without comparable incentives," she says. A wind project of this size would have been a boon to Utah's economy and energy resource base. Utah has no wind development and no current plans to build any.

A similar tax exemption bill, sponsored by Representative Jim Gowans, passed the Utah House of Representatives last legislative session, but never made it through the Senate. The Utah Energy Office expects to support a similar bill again at the next legislative session.

"Wyoming sent a strong signal that it supports the development of wind energy," Watson adds, "and it is amazing how quickly it has paid off!"

Wyoming's sales tax exemption bill had the support of both the energy sector and the environmental community, and the loss of sales tax revenue is expected to be minimal compared to the economic development benefits for the state. The project will be situated in Uinta County, northeast of Evanston about five miles north of Interstate 80 on the Bear River Divide. It will include 80 wind turbines with a total generating capacity of 144 megawatts to generate enough electricity to power more than 43,000 homes, according to a FPL Energy report. The Wyoming Business Council is considering additional projects.

PacifiCorp, the parent company of Utah Power, has announced plans to develop 1,400 megawatts of renewable energy resource, primarily wind, in the coming decade throughout its service territory. The company will request 500 MW of wind in its service territory through a Request for Proposal this December. Utah will face tough competition from Wyoming and other states that provide incentives or requirements for renewable energy in this bidding process. The state legislature can level the playing field if it chooses to pass a renewable energy sales tax exemption like Wyoming.

The Utah Energy Office is sponsoring the Utah Wind & Solar Energy Conference on October 1, 2003, at the Salt Palace Convention Center, Salt Lake City, to discuss the prospects of wind and solar power development throughout the state. A new wind map showing Utah's best wind resource locations will be unveiled. For more information, contact Christine Watson at 801-538-4792 or 1-800-662-3633.